

ORDER NO. 83592

IN THE MATTER OF POTOMAC
ELECTRIC POWER COMPANY'S
ENERGY EFFICIENCY,
CONSERVATION AND DEMAND
RESPONSE PROGRAMS PURSUANT TO
THE EMPOWER MARYLAND ENERGY
EFFICIENCY ACT OF 2008

BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND

CASE NO. 9155

IN THE MATTER OF DELMARVA
POWER & LIGHT COMPANY'S ENERGY
EFFICIENCY, CONSERVATION AND
DEMAND RESPONSE PROGRAMS
PURSUANT TO THE EMPOWER
MARYLAND ENERGY EFFICIENCY
ACT OF 2008

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CASE NO. 9156

IN THE MATTER OF SOUTHERN
MARYLAND ELECTRIC COOPERATIVE,
INC.'S ENERGY EFFICIENCY,
CONSERVATION AND DEMAND
RESPONSE PROGRAMS PURSUANT TO
THE EMPOWER MARYLAND ENERGY
EFFICIENCY ACT OF 2008

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CASE NO. 9157

To: Parties and Interested Persons in Case Nos. 9155, 9156 and 9157

On September 24, 2010, the Public Service Commission (“Commission”) held a hearing for further inquiry into a potential fire hazard associated with the model of programmable thermostats that Potomac Electric Power Company (“Pepco”), Delmarva Power & Light Company (“Delmarva”), and Southern Maryland Electric Cooperative (“SMECO”) are installing as part of each Company’s demand response programs approved by the Commission and included as a part of each Company’s EmPower Maryland program. The Commission obtained notice of this potential safety issue when it received a letter, on September 23, 2010, from Pepco Holdings, Inc. notifying the Commission of this potential safety issue.

On September 23, 2010, the Commission issued Order No. 83588 (Case Nos. 9155 and 9156) and Order No. 83589 (Case No. 9157) that: (1) directed Pepco/Delmarva and SMECO, respectively, to immediately cease installation of programmable thermostats in Maryland as part of any programs approved by the Commission; and (2) directed Pepco/Delmarva and SMECO to appear at a hearing on the September 24, 2010 to discuss the issue and the steps being undertaken to notify customers with installed thermostats of the potential safety issue; to mitigate or eliminate any existing safety risk; and to identify and implement a permanent solution to the potential safety issue.

Representatives from Pepco, Delmarva and SMECO appeared at the hearing on September 24, 2010, as well as representatives from Comverge (the contractor that is installing the programmable thermostats on behalf of Pepco and Delmarva) and White-Rodgers (the manufacturer of the thermostat subject to the inquiry). The Commission received a brief description from a representative of Pepco and Delmarva and from a representative of SMECO of the steps that each of the companies has taken, or intends to take, to alert the affected customers. The Commission then made further inquiries of the companies' representatives about these efforts and suggested improvements to the efforts as well as questioned the representatives of Comverge and White-Rodgers about the potential safety issues related to the design of the thermostats. After hearing from all of the representatives, the Commission made rulings on the record of the hearing, which are detailed in the ordering clauses below.

IT IS THEREFORE, this 24th day of September, in the year Two Thousand Ten by the Public Service Commission of Maryland,

ORDERED: (1) That, until further order of the Commission, the Commission's directive in Order No. 83588 and Order No. 83589 that Potomac Electric

Power Company, Delmarva Power & Light Company and Southern Maryland Electric Cooperative, Inc. (including their contractor(s)), cease installing the affected programmable thermostats as part of any State program approved by the Commission, remains in effect;¹

(2) That each Company notify the Commission immediately when the Consumer Protection Safety Commission (“CPSC”) issues a decision in connection with the identified issue with the affected programmable thermostats, and whether the CPSC found that there is a safety issue associated with the programmable thermostats and a description of any corrective action(s) to be undertaken by the manufacturer;

(3) That each Company is directed to track all of the costs related to the Company’s action, or the actions of its Program operator that are charged to the Company, occurring as a result of the potential product defect and costs related to any additional equipment that may become necessary in effecting a solution to the problem and identify these costs in future quarterly or annual reports due to the Commission on each Company’s EmPower Maryland programs;

(4) That Potomac Electric Power Company and Delmarva Power & Light Company are directed to notify all of its affected customers, through email, on the respective Company’s website, and by phone of the potential hazard, disclosing in such communications that there is the potential for a “fire hazard”;

(5) That Southern Maryland Electric Cooperative is directed to re-send an email to each affected customer for whom they have email addresses that specifically refers to the hazard associated with the programmable thermostats as a potential “fire hazard;”

¹ This Order does not apply to any other equipment or elements of the Companies’ EmPower Maryland programs.

(6) That each Company is directed to place on the home page of its website a notice of the potential fire hazard of the programmable thermostats in a manner that prominently displays such information; and

(7) That each Company is directed to send a letter to each affected customer notifying the customer of the potential fire hazard associated with the customer's programmable thermostat and the steps to mitigate the hazard as soon as practicable, but no later than October 6, 2010.

By Direction of the Commission,

/s/ Terry J. Romine

Terry J. Romine
Executive Secretary